

State of the City Address  
January 17, 2012

The Story of Newton, Massachusetts is truly an American story. It's a place where generations of immigrants from around the world and people of different ethnic, religious, racial background and walks of life have come to take advantage of an excellent school system, safe streets and thriving civic life.

Individuals, families and seniors from different parts of our country have migrated to a city that celebrates differences and offers opportunity for all to succeed and make a difference. We are a community that is a beacon of progress in the commonwealth because of innovation inside and outside of government and a rich tradition in culture and the arts.

It is a place where the sons and daughters of those with the least in material wealth can become leaders of industry and government - even Mayor.

When I decided to run for Mayor I saw a city that was not going to meet the vision of a city that could continue to attract old and young, families, seniors and people of all backgrounds and offer a quality of life and ladder of opportunity that is unique in America today.

I saw a city with no long-term financial plan – our health and compensation costs were out pacing our rate of growth, creating a structural deficit; I saw basic city services and operations that had deteriorated with no accountability standards in place; I saw a city that did not have a capital plan to sufficiently maintain our buildings, roads and infrastructure; I saw a city that was reactive rather than proactive when it came to economic development; and I saw a city where the tone and tenor of discourse had become poisoned because of a lack of communication, transparency and confidence in government.

When I stood before you two years ago and became your mayor, I understood that if we were going to meet our full potential in the years ahead we would have to have a laser-like focus and get our financial house in order, to ensure we would have the resources to support excellence in our classroom and keep our community safe.

Our team at city hall has adopted an approach that influences the decisions we make every day - that governance in our city must be innovative, effective and efficient and inspire partnership and confidence; we must be transparent and spend every taxpayer dollar wisely; we must prioritize our most important needs; education and public safety.

And we must provide leadership in government that gives people opportunity and brings about a better quality of life for all.

Tonight, I am pleased to report that, while we still have much work to do, we have made significant progress and laid an important foundation for the work ahead. Newton is on the move once again.

As I mentioned at the start of my term and over the last year, we have taken a four-pronged approach.

Here in Newton, we have limited opportunities for economic development but we have still made significant progress. Chestnut Hill Square was unanimously approved by the Board of Aldermen and will add immeasurably both to our tax base and to the vitality of our community.

The project will also include significant traffic improvements on Route 9 because our city is taking advantage of a new innovative infrastructure program the Patrick administration developed, I Cubed. This would not have happened if we hadn't had great leadership in our planning department, particularly Planning Director Candace Havens and the efforts and partnership with our Board of Alderman. Work on Needham Street is finally moving forward as well. When I took office, prospects for development there looked dim. We had no funding for the design that I believe must precede any effective development. We lobbied the Massachusetts Department of Transportation to work on the roadway and we began earnest conversations with the town of Needham.

The State took notice and agreed to complete the design work, a value of nearly \$500,000, and I am optimistic that renovations will start in the near future. This year we will work with the Board of Aldermen and the community to continue the positive progress made at Riverside, the Austin Street lot in Newtonville and the Cypress Street lot in Newton Centre. Each has the potential to increase the vitality and tax base of our city.

We have set up a virtual and live business center that will house our streamlining efforts in permitting for those who want to start a business and those who currently own land and businesses in Newton so that they have access to resources inside and outside of the city and cut through red tape.

In addition, thanks to the leadership of the Zoning and Planning committee reform group, and residents, the city has a roadmap for zoning reform that is critical to our future. I'm proud to say that because of the great work of our Inspectional Services Department, led by John Lojek, Planning offices and Board of Aldermen, Newton is open for business!

The Transportation Advisory Committee led by citizen and transportation expert Stephanie Pollack has given our community a solid road map to get people out of their cars and make Newton safer, more walkable and bikable in the coming years. Our goals cannot be met if we don't have reliable public transportation.

Public Transportation is critical to our success in the short and long run. I want to thank the elected officials and community leaders that stood with me at the MTBA hearing tonight to make it crystal clear that the proposed cuts to service would be devastating to students, working people and people with disabilities. We look forward to being at the table with the T to find other viable alternatives.

Of course, we all know that we can't simply grow our way to fiscal health here in Newton, so we have looked to build trust, confidence and efficiency in government by zero-basing everything we do – challenging our assumptions and our old way of doing things in order to improve service while lowering cost-

As a result we have saved the city 8 million dollars in two budget cycles where we found ways in city departments to save money and improve services.

When I entered office, I understood clearly that the city had to keep growth in compensation and health care at 2.5%.

As great of a job we could do finding savings and efficiency, payroll and benefits were growing at a rate of 4.4%; well beyond our revenue growth rate of 2.5%. This was not merely an accounting concern, it was hurting our chance to keep and retain the most qualified public servants we could on our streets, in our buildings and in our classrooms and eroding the opportunity for our city to address its greatest needs.

That is why we all came to the table together; our unions, CFO, Law department, Human Resources department and School Committee over the course of two years and made tough, honest decisions that resulted in historic agreements for school and municipal unions. Each deal caps the combined growth of compensation and health insurance at 2.5%.

Our new contracts will save the city 100 million dollars over the next 5 years at the rate of 20 million dollars on average a year as compared to the prior trend rate. This is truly a “game changer” and the single most important factor that will ensure the future financial stability of the City of Newton.

We are the first municipality in the State of Massachusetts to structure agreements this way at the collective bargaining table. Most importantly, we successfully ensured fair deals were put in place that reflect our priorities and values as a community.

With the leadership of School Committee Chair Claire Sokoloff and the School Committee team, Superintendent Fleishman and his team at the Newton Public Schools, as well as our city staff led by CFO Maureen Lemieux along with our union leadership made this happen.

Following stalled talks on the “National Debt Ceiling” debate this past summer, Moody’s Investors Service assigned a “negative outlook watch” to the credit ratings of five states and 161 AAA rated local governments, including the City of Newton.

Our team in City Hall went to work with President Lennon, Chairman Gentile, Comptroller David Wilkenson and Assessor Elizabeth Dromey, and with me made a strong case that because of the economic strength of major employers in the city, as well as measures taken by our Administration in recent months to strengthen the city’s financial position – including the establishment of our Rainy Day Fund, successful negotiation of our collective bargaining agreements and the establishment of the City’s Other Post-Employment Benefits Liability Trust Fund - I am pleased to announce that as a result of that conversation with Moody’s and the tremendous amount of work that we have done as a city – our bond rating has been restored to Triple A – Stable.

We have made great strides in implementing performance management, building a culture of excellence throughout City Hall thanks to the great work of Budget Analyst, Andrew Warner and City Hall department heads and staff. This means measuring how well we perform, holding ourselves accountable to clear and compelling measures and improving every day on everything we do.

For the first time, residents can go online and see our performance in essential city services from public safety to public works and human services.

Thanks to the work of Aaron Goldman, Citizens Assistance Officer, Department of Public Works, the IT department and the customer service team, we have made service requests for residents easier and more efficient through our 311/Citistat program and web-based system – Citizens can go to our city website 24 hours a day to report problems in their neighborhood.

Accountability measures have been put in place so we can increase the quality of service delivery and response times. Over 10,000 requests have been submitted and resolved online since we started this successful program.

Our Administration has dramatically reduced energy costs that will save millions of dollars in the coming years, helping to make Newton one the greenest communities in Massachusetts.

With the help of federal stimulus dollars we converted thirteen buildings from oil to gas and by negotiating a lock-in for lower gas price; we stand to realize a total savings of close to \$2 million over the four year contract.

We have implemented an innovative demand response system at Newton North and Newton South that will save the city \$75,000 over the next five years.

We've partnered with the state's new Green Community program that awarded the city grant money to bring down energy costs in one of our least efficient buildings - the Lower Falls Community Center.

As a result, 2011 saw a 53% reduction in energy costs compared to 2008 through 2010. We are expecting reduction upwards of 70% when we're completed in the spring, making it a model for building energy conservation enhancements.

Finally, Newton North was awarded the first LEED Gold certified school in the commonwealth and is currently tracking close to 30% reduction in energy cost compared to the old school.

All of this great work was done under the leadership of Josh Morse our facilities manager and sustainability project manager, Maciej Konieczny, Alderman Deb Crossley and citizens like Jonathan Kanter.

Over the past year my team – Bob Rooney, Maureen Lemieux, and Stephanie Gilman, have taken a comprehensive approach to understanding and prioritizing our needs as a city. They were aided by revolutionary software that allowed us to systematically evaluate every physical asset the city has and rank order them based on our own criteria.

I am proud to say that once again Newton is leading the way in the commonwealth – we are the only community that has taken such a comprehensive and systematic approach.

And the work tells us what we all suspected – we have been significantly under-investing to the tune of nearly \$250 million over five years. But it also tells us where we must focus first. Over the next five years the city will take on dozens and dozens of projects – projects like replacing our large construction equipment and our fire trucks. All made possible by the savings we have achieved as a result of zero-based budgeting and our recently concluded union negotiations.

It is clear that we must begin to rebuild our schools, starting with Angier, and continue our work on rebuilding our fire stations. They are in deplorable condition.

Since I announced our capital plan in October, members of my staff, representatives from the Board and the School Committee – have hit the ground running to refine our plans, timelines and financial requirements and explore funding alternatives including obtaining commitments from the Massachusetts School Building Authority for work on the Angier school.

They will report back to not only the full Board and School Committee, but also our residents on a quarterly basis.

Finally, over the past two years, I have dedicated myself to governing in a way that changes the tone with which we communicate with one another in this city. That has meant reaching out to residents – all residents, not just the ones who regularly contribute.

It means responding to questions openly and honestly and, most importantly, it means asking residents from every part of this city, from every village and every perspective, from every demographic and every point of view, to work collaboratively and civilly with one another – and with my team and the School Committee and the Board of Aldermen, to generate the best solutions to our problems and move the city we all love forward again. We have brought a new level of openness and responsiveness to all aspects of City government.

With the great work of Director of Community Engagement, Sarah Ecker and now Megan Costello, we've held 24 town hall meetings, regular office hours and encouraged the development of organizations and area councils with businesses and residents to enhance the quality of life in each of our 13 villages through our village coffee series last year.

Last month Newtonville jump started its effort with the citizen leadership of Tim Stone and a \$5000 donation from Cambridge Savings Bank to make the village more attractive to residents and businesses.

We've also brought a new level of energy at City Hall through our internship program – where students from Newton North, Newton South and area colleges have made real contributions to municipal operations in the last two years. I'm especially grateful to my Executive Assistant, Pat Johnson, who is a Newton Resident and brings his passion for public service to work every day.

Let me conclude this evening where I began- and that is the belief that this city, our city, the community that we love, that I love, is a place that has one of the best education systems in the nation- was ranked 5<sup>th</sup> safest community in the country this year; and according to CNN and Money Magazine was ranked 3<sup>rd</sup> best place to live in America in 2011.

We know the leadership, courage and hard work that goes into making that happen- all of it in a difficult economy.

I want to take a moment to thank the hard working men and women here at city hall, on our roads, in our police stations, fire stations and classrooms for doing what they do every day – thank you.

It would be easy to wrap ourselves in all the accomplishments of the last two years - I believe we have provided a strong foundation for addressing the very immediate challenges we face.

With significant growth in our public schools, increased traffic on our streets, aging and neglected school and municipal buildings and infrastructure, we can and must ensure we face these challenges head on if we want to continue to meet our full potential. And that means continuing to spend every taxpayer dollar wisely, finding savings where we can and investing where we must.

It also means engaging all of our residents about the choices we face and gaining alternative funding sources to address those challenges in the future.

Starting the evening of January 25th, I am asking the community to engage in a series of community meetings to better understand our approach and the work that lies before us – and to add their voice to the discussion.

To tell us, in effect, that they understand the critical choices we face as a community if we want to preserve our way of life and that they support the work we are doing to get our arms around the effort.

The state of our city is strong because of what we have been able to do together over the last 24 months- and I know if we do our work well, if we continue to speak openly and honestly about the needs of our city, if we continue to work hard to eliminate waste and duplication while investing in the things that make this city remarkable, then when I stand before you a year from now, we will be a city united – ready to take on major projects like Angier, our school buildings, fire stations, municipal infrastructure and invest in protecting Newton's future confident that we have a well-honed plan for success- leading our state as a beacon of progress.

God Bless you, our great city, Commonwealth and Country.